

3. LEGISLATIVE BUSINESS—GOVERNMENT BILLS

(a) THIRD READING

(i) The Cochin Motor Vehicles Act (Amendment) Bill

Mr. E. Ikkanda Warriar (*Prime Minister*): Sir, I move that the Cochin Motor Vehicles Act (Amendment) Bill be taken up and finally passed.

Mr. P. Govinda Menon (*Minister for Finance and Law*): I second it.

Motion put and carried

(ii) The Cochin Prohibition Act (Amendment) Bill

Mr. P. Govinda Menon (*Minister for Finance and Law*): Sir, I move that the Cochin Prohibition Act (Amendment) Bill be taken up and finally passed.

Mr. E. Ikkanda Warriar (*Prime Minister*): I second it.

Motion put and carried

(iii) The Cochin Succession Certificate Act (Amendment) Bill

Mr. P. Govinda Menon (*Minister for Finance and Law*): Sir, I move that the Cochin Succession Certificate Act (Amendment) Bill be taken up and finally passed.

Mr. P. K. Krishnankutty Menon (*Vellarappilli*): I second it.

Motion put and carried

(b) POINT OF ORDER

Regarding Presentation of the Select Committee Report

The Cochin Income-tax Act (Amendment) Bill

Mr. C. V. Iyyu (*Kunnamkulam*): Sir, I have a point of order to raise if the Hon'ble Minister is going to press the Bill Cochin Income-tax Act (Amendment) Bill for getting it passed now. According to Standing Order 35 the report of the Select Committee, any minutes that have been recorded by individual members of the committee and, if the Bill has been amended, the Bill as amended by the Committee, shall be printed and copies furnished to each member of the Assembly. The report and minutes, if any, and, if the Bill has been amended, the Bill as amended, or such portion thereof as may have been amended, shall also unless otherwise directed by the Select Committee.....

Mr. President: Which is that Standing Order?

Mr. C. V. Iyyu (*Kunnamkulam*): Standing Order No. 35. shall also unless otherwise directed by the Select Committee be published in the Gazette in the languages in which the original Bill was published and such publication shall be made in the Gazette at least 12 days prior to the commencement of the meeting at which the Bill is to be considered by the Assembly." I humbly submit that the Select Committee has only directed that the amended portion of the Bill, a Bill as amended or such portion thereof as may have been amended, need not be published. The publication of the report in the Gazette and taking up the Bill for consideration only after 12 days stands in the way of presenting the report of the Select Committee now and taking up the Bill for consideration. So I request the President not to allow the consideration of this Bill, because it is against the rules.

Mr. President: The first part of the matter is that the Minister for Finance and Law will present the Select Committee Report. That is what is being done now. And then comes up the question that the Bill as modified by the Select Committee be taken into consideration. The Hon'ble Member's contention is based upon Standing Order No. 35, that it should be published 12 days prior to the meeting, and under the circumstances it is not done.

Mr. C. V. Iyyu (*Kunnamkulam*): It is presented only now. Neither is it printed and published; only duplicated copies are given to the Members. The direction of the Select Committee will only be binding on the modified Bill and not on the report and the minutes.

Mr. President: That is under Standing Order No. 35. He is presenting the report.....

Mr. P. Govinda Menon (*Minister for Finance and Law*): Under Standing Order No. 36.

Mr. President: For that the Standing Order does not object. Present the report.

Mr. C. V. Iyyu (*Kunnamkulam*): The presentation of the report of the Select Committee and the consideration generally go side by side.

Mr. President: That is true, but the rule is that the Select Committee Report may be presented.

Mr. C. V. Iyyu (*Kunnamkulam*): Yes, Sir.

Mr. President: The report of the Select Committee on a Bill shall be presented to the Assembly by the member in charge of the Bill, who shall, if he makes any remarks, confine himself to a brief statement of facts. That is one step, and then "after the presentation of the

final report of the Select Committee on a Bill, the member in charge may move that the Bill as reported by the Select Committee be taken into consideration". These are two distinct steps. The Hon'ble Minister may therefore present the Select Committee Report.

***Mr. P. Govinda Menon (Minister for Finance and Law):** Sir, I beg leave to present the report of the Select Committee on the Income-Tax Act (Amendment) Bill. When the Bill was introduced in this House two days ago, several Members expressed a desire that the Bill might well be referred to a Select Committee, on account of some very important changes in the existing law which are sought to be introduced by the Bill. I said then and there that the Bill would be referred to a Select Committee and the Select Committee suggested one important change, rather, unanimously suggested one important change, and that was that the distinction which is maintained in the present law between agricultural and non-agricultural incomes may be maintained, not that agricultural incomes should be exempted from taxation. Under the existing law, there was some difference in rates between taxes on agricultural income and non-agricultural income. The Select Committee while they were agreeable to raise and substantially raise the rates of agricultural income-tax, wanted for some more time, especially seeing that land revenue is still levied from land-holders, that for some more time this distinction may be maintained. And, therefore, in section 20 of the existing Act there is clause 6 which lays down a separate rate of income-tax on agricultural incomes. That clause 6 is sought to be retained, but at the same time this lapse in the existing clause as also the rates of income-tax have been materially changed. For example, under the existing Act on the first Rs. 1,500 there is no taxation. That is maintained. Then on the next Rs. 3,500 the existing tax is six pies in the rupee. It has been enhanced to 9 pies in the rupee and so on throughout. There has been an enhancement of rates in the matter of agricultural income-tax, but it is still maintained on a level lower than the tax on non-agricultural incomes. It has been a matter of pleasure to note that all the members of the Select Committee unanimously supported this provision and although on behalf of the Government I was not in a position to agree to the amendment proposed by the Select Committee, Government have after subsequent consideration decided not to oppose the recommendation of the Select Committee. Therefore, the Bill as amended by the Select Committee is sought to be pressed by the Government in this Assembly. With these few words, Sir, I present the report of the Select Committee.

The report is before the Hon'ble Members. And this being the only change effected in the Bill, the usual rule that a Bill if it is amended by the Select Committee, must be republished in the Gazette has been reported to be dispensed with by the Select Committee. In Standing Order No. 35, the Select Committee itself is given the power to recommend whether the Bill as amended should be republished or not. And the report says that the Bill has not undergone such material modifications at the hands of the committee as to require republication. And therefore the Bill as amended has not been republished, because of the recommendation of the Select Committee. Standing Order No. 35 enjoins that the report of the Select Committee may nevertheless be published in the Gazette, but in cases like this, it is not possible for Government to publish the report of the Select Committee and in order to meet such contingencies, under Standing Order No. 37, the President has been given power to over-rule such objections under the circumstances of each case; "and such objection shall prevail unless the President in the exercise of his power to suspend this order allows the report to be taken into consideration". So the injunction is in Standing Order 35, but the consequences are provided in Standing Order 37, the consequences being that the Bill could not be taken consideration if somebody objects, but the President is given power to relieve the mover from such consequences. I, therefore, move, Sir, that the Bill as reported by the Select Committee be taken into consideration.

Mr. E. Ikkanda Warriar (Prime Minister): I second it.

Mr. C. V. Iyyu (Kunnamkulam): I have raised a point of order.

Mr. P. K. Dewar (Labour): May I know whether it is because he has not received a copy of the report of the Select Committee?

Mr. C. V. Iyyu (Kunnamkulam): The reason has been mentioned.

Mr. President: He raised merely a point of order, and in that he has drawn the attention of the Chair to Standing Order 35. That Standing Order makes a provision which has not been clearly perceived by the Hon'ble Member. That is "the report and minutes, if any,

*Speech not corrected by the Hon'ble member.

[Mr. President]

and, if the Bill has been amended, the Bill as amended, or such portion thereof as may have been amended, shall also unless otherwise directed by the Select Committee be published in the Gazette". That provision is clearly there. I don't know how it escaped the notice of the Hon'ble Member.

Mr. C. V. Iyyu (Kunnamkulam): Standing Order 37 (1) (i) makes it clear that any Member can object.

M. President: Exactly that is the distinction which I draw. I asked the Hon'ble Member whether he was raising a point of order or whether he is raising only an objection, and the Hon'ble Member said he was raising a point of order under Standing Order 35. Standing Order 35 clearly provides for the contingency because of this clause inserted that unless otherwise directed by the Select Committee". The Select Committee Report that is before the House clearly says that "the Bill was published in the Gazette Extraordinary, dated 14th Vrischigam 1124. It has not undergone such material modifications at the hands of the Committee as to require republication". Therefore the Committee is of opinion and has given a directive that the Bill need not be republished. Therefore under Standing Order 35 the point of order raised by the Hon'ble Member does not stand. Now, if he likes, he may raise an objection under Standing Order 37.

Mr. P. Govinda Menon (Minister for Finance and Law): I would request the Chair to take it that he has raised an objection under Standing Order 37.

Mr. C. V. Iyyu (Kunnamkulam): If the President suspends the Standing Order, then.....

Mr. President: The President does not use his discretion arbitrarily. My reason for exercising that discretion is that the other day the House agreed to this procedure that the Bill be referred to a Select Committee and the report of the Select Committee be presented on Monday. And on the strength of that, I exercise my discretion and give the ruling that the Bill may be taken up for consideration.

The question is that the Cochin Income-tax Act (Amendment) Bill be taken up for consideration.

Motion put and carried

Clauses 2 to 10 put and carried

Clause 1 put and carried

Title and Preamble put and carried

Mr. P. Govinda Menon (Minister for Finance and Law): Sir, I move that the Cochin Income-tax Act (Amendment) Bill be taken up and finally passed tomorrow.

Mr. E. Ikkanda Warriar (Prime Minister): I second it.

Motion put and carried

(ii) The Cochin Sales-Tax Act (Amendment) Bill

***Mr. P. Govinda Menon (Minister for Finance and Law):** Sir, I beg to present the report on the Cochin Sales-tax Act (Amendment) Bill made by the Select Committee. The main provisions of the Sales-tax Act Amendment Bill were explained by me on an earlier occasion in this session. The Bill did not undergo very many changes in the Select Committee. There are certain verbal amendments which are referred to in the report. For example, where a fine alone was previously provided, conviction also has been added by way of penalty for breaches of the provisions of the Act. What the committee mainly did was to make unanimous recommendations to Government with regard to certain exemptions. They are also referred to in the Bill. Now, Sir, as I explained earlier during this session, it is sought to take away the schedule to the Sales-tax Act and instead Government will notify from time to time the list of exempted articles. This does not in any way effect any material change in the law, nor does it give greater powers to Government to exempt articles or not to exempt articles. For, even according to the existing law, where a schedule is attached to the Bill, Government have power to change the schedule by notification. And therefore no additional powers have been taken by Government in removing the schedule and in saying that the exempted articles shall be notified from time to time. Simultaneously with the promulgation of the law, after this session, all the articles exempted will be notified in the Gazette. The Select Committee has suggested to Government that the notification may be published in important Malayalam Dailies and the dealers may be asked to publish conspicuously the exempted articles in places of business. Government will do these things.

*Speech not corrected by the Hon'ble member.

Name of the Mill	Quantity of paddy for milling in 1123			Quantity of paddy given for milling in 1124			Remarks
	Para	E.	N.	Para	E.	N.	
35. Sree Durga Mill, Mulakunna-thukavu	..			38772	0	0	Started this year alone
36. Palani Andavan Mill, Chittur	71191	0	0	1932	7	0	
37. Swaraj Mill, Tattamangalam	44324	2	0	4296	6	0	
38. Kammanthara Mill, do.	48306	5	0	6352	5	0	
39. Venkitachalam Mills, do.	60391	7	2	4776	2	0	
40. Victory Mill, Nemmara	47940	9	0	8739	5	0	
41. Mahamootha Mill, Athicode	74524	5	1	704	0	0	
42. Soudambika Mill, Chittur	58473	8	0	11088	0	0	
43. P.K.A. Mill, Tattamangalam	37380	7	0	2987	6	0	
44. Bharath Mill, Chittur	27845	7	3½	18993	5	0	
45. Rajeswari Mill, do.	72069	0	0	5852	0	0	
46. Ratnasabhpathy Mill, Kozhin-jampara	63438	8	1½	..			
47. Umamaheswara Mill, Alayar	98379	7	0	11550	0	0	
48. Poornachandrodayam Mill, Karuvapara	68236	6	¾	539	0	0	
49. Ankarath Mill, Nattukal	12429	0	¾	662	2	0	
50. Baladandapani Mill, Tattamangalam	35329	2	0	2294	6	0	
51. Sreekrishna Mill, Nalleppilly	43518	0	0	8970	5	0	
52. Ram Raj Mill, Kolinjampara	33810	0	0	1126	4	0	
53. Radhakrishna Mill, Nalleppilly	67463	8	0	10618	3	0	
54. Balakrishna Mill, Pattancheri	85753	4	3	8108	1	0	
55. Mahaganapathi Mill, Vallangi	65228	9	¾	10182	7	0	
56. Dandapani Mill, Nemmara	44347	5	0	12086	8	0	
57. Akampadom Mill, do.	51052	0	0	14652	0	0	
58. Nemmara Mill, do.	50445	5	0	8724	1	0	
59. Vallangi Mill, Vallangi	62280	2	0	13852	3	0	
60. Popular Mills, Ayilore	483	0	0	9036	5	0	Started from 14th Kumbham 1123
61. Kannudanayaki Mills, Tattamangalam	49199	0	0	..			
62. Deva Raja Mills, Chittur	..			..			
63. Chenthamara Mill, Tattamangalam	..			..			License given only recently.

APPENDIX III REPORT OF THE SELECT COMMITTEE ON

THE COCHIN INCOME-TAX ACT (AMENDMENT) BILL

To
The Secretary,
Cochin Legislative Assembly.

Sir,

We, the members of the Select Committee appointed to consider the Income-tax Act (Amendment) Bill, have the honour to submit this, our Report:—

The Committee held in all two sittings and the Income-tax Act (Amendment) Bill was considered in detail. The majority of the Committee are of opinion that the agricultural income and the non-agricultural income should not be clubbed together and that the existing preferential

treatment accorded to agricultural income by sub-sections (6) and (7) of section 20 of the Cochin Income-tax Act should be continued. At any rate, the Committee think that the tax on agricultural income having been introduced only recently, should not all on a sudden, be raised to the level of the rate of non-agricultural income. They have, however, no objection to the existing rates being enhanced as shown in the revised rates proposed. In accordance with the above view of the majority of the Committee, Clause 6 of the Amendment Bill has been modified. A copy of the amendment proposed by the Committee is herewith appended.

The Bill was published in the Gazette Extraordinary dated 14th Vrischigam 1124 (29th November 1948). It has not undergone such material modifications at the hands of the Committee as to require republication.

We have the honour to be,

Sir,

P. GOVINDA MENON

Minister for Finance and Law and
Chairman of the Committee

(Subject to Dissenting Note)

- | | | |
|-----|----------------------------------|-------|
| 2. | Mr. P. K. Krishnankutty Menon | (Sd.) |
| 3. | " A. K. George | (Sd.) |
| 4. | " K. Balakrishna Marar | (Sd.) |
| 5. | " T. K. Kunjeyappan | (Sd.) |
| 6. | " O. T. Inasu | (Sd.) |
| 7. | " Kodanat Narayanan Nambudiripad | (Sd.) |
| 8. | " M. R. Velappan | (Sd.) |
| 9. | " K. A. Achuthan | (Sd.) |
| 10. | " K. N. Pachayappa Koundan | (Sd.) |

Amendments proposed by the Select Committee

For Clause 6 of the Cochin Income-tax Act (Amendment) Bill the following shall be substituted, namely:—

"6. For the rates of tax given in clause (2) of sub-section (6) of section 20 of the Act, the following shall be substituted:—

On the first Rs. 1,500	Nil.
On the next Rs. 3,500	Nine pies in the rupee.
On the next Rs. 5,000	On anna six pies in the rupee.
On the next Rs. 10,000	Three annas in the rupee.
On the next Rs. 10,000	Four annas in the rupee.
On the next Rs. 10,000	Five annas in the rupee.
On the next Rs. 10,000	Six annas in the rupee.
On the next Rs. 25,000	Seven annas in the rupee.
On the next Rs. 25,000	Eight annas in the rupee.
On the balance	Ten annas in the rupee.

Dissenting Minute by the Chairman

I regret I am unable to agree to the change proposed by the majority of the Committee. I find no reason why high agricultural incomes should be accorded a treatment different from non-agricultural income.

(Sd.) P. GOVINDA MENON
Chairman

APPENDIX IV REPORT OF THE SELECT COMMITTEE

on THE COCHIN SALES-TAX ACT (AMENDMENT) BILL

We, the members of the Select Committee appointed to consider the Cochin Sales-tax Act (Amendment) Bill, have the honour to submit this, our report.

2. The Committee held one meeting and considered the clauses of the Bill in detail. They are unanimously of opinion that tobacco and tobacco products should be exempted from payment of sales-tax and they recommend accordingly.

3. The Committee also suggest that provision should be made in the rules for the issue of bills by dealers when they realise sales-tax and that such bills are to be given in all cases where the sale amount exceeds Rs. 10 and on demand by the purchaser if it is Rs. 10 or below.

4. The Committee also recommend that the list of exempted articles should be widely notified in the Gazette and in the local papers, and that printed copies of the list should also